



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Creative Resources, Inc.
File: B-225950
Date: February 11, 1987

DIGEST

Decision to cancel solicitation and to perform work in-house is a matter of executive policy that the General Accounting Office does not review where, as here, the solicitation was not for the purposes of comparing the costs of in-house performance with the costs of contracting.

DECISION

Creative Resources, Inc., protests the cancellation by the Naval Supply Center, Charleston, South Carolina, of request for proposals (RFP) No. N00612-86-R-0687. The RFP sought offers for the supply of referral and counseling services for a Naval family services center. According to the protester, the Navy canceled the RFP after determining to perform the services in-house. The protester contends that in reaching this decision the agency failed to comply with Office of Management and Budget Circular No. A-76--establishing the executive branch's policy for determining whether to perform services in-house or under contract--and with the terms of the RFP providing that an award would be made to the responsible offeror whose offer was considered most advantageous to the government.

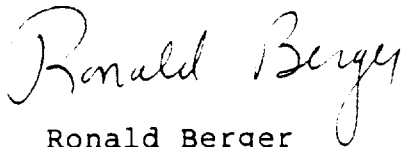
Since an agency's decision whether services should be performed in-house or by a contractor involves a matter of executive branch policy, not within our protest function, we generally do not review the agency's decision. Jets, Inc., 59 Comp. Gen. 263 (1980), 80-1 CPD ¶ 152; Crown Laundry and Dry Cleaners, Inc., B-194505, July 18, 1979, 79-2 CPD ¶ 38. We have recognized, however, a limited exception to this rule where an agency utilizes the procurement system to aid in its determination by issuing a competitive solicitation for the stated purpose of comparing the costs of in-house performance with the costs of contracting. We will consider a protest that the agency failed to follow established cost comparison procedures because we believe it would be detrimental to the

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procurement system if, after the submission of offers, an agency were permitted to alter the procedures it had established and upon which bidders had relied. Contract Servs. Co., 65 Comp. Gen. 41 (1985), 85-2 CPD ¶ 472.

The facts do not fit within the limited exception described above. Here, there is no indication that the RFP included a statement that offers would be compared with the Navy's estimated costs of in-house performance for the purpose of determining whether to perform the work in-house. Instead, the concern of the agency seems to have been primarily that because its funding would likely be reduced, it would be wiser to conserve its funds by doing the work in-house rather than to contract out. Under circumstances as these, review by our Office is not appropriate. See Bldg. Servs. Unltd., Inc., B-222731, Apr. 17, 1986, 86-1 CPD ¶ 380. Further, it is well-established that an agency may cancel a solicitation where the services are no longer required because they can be provided in-house at a cost savings. See Carrier Corp., B-214331, Aug. 20, 1984, 84-2 CPD ¶ 197.

The protest is dismissed.



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